



For Immediate Release

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FCA board receives reports on upcoming YBS forum and farm input prices, adopts proposed rule to amend regulation on conservators and receivers

McLEAN, Va., Feb. 10, 2022 — At its monthly meeting today, the Farm Credit Administration board received two reports and approved a proposed rule on conservators and receivers.

Report on March 2022 National Forum on Serving Young, Beginning, and Small Farmers and Ranchers (YBS)

The board received a status report on the planning of the YBS forum scheduled for March 22 to 24 in Fort Collins, Colorado. FCA and Colorado State University are co-sponsoring this national event, which will bring together lenders, regulators, producers, and stakeholders to share best practices, identify resources and tools, and expand YBS programs in the Farm Credit System.

Report on farm input prices

The board also received a [report \(PDF\)](#) on farm input prices. According to this report, price inflation and higher production costs are currently affecting System borrowers and loan portfolios.

Inflation is driving up the cost of inputs, farmland, machinery, and interest rates. The higher costs are likely to affect credit quality and loan growth. FCA examiners will need to take these factors into consideration during examinations this year.

Institutions have incorporated these higher costs into their lending guidance and projections. FCS portfolios also remain diversified, which helps mitigate risk.

Proposed rule on conservators and receivers

The board voted to approve a proposed rule that implements provisions of the 2018 Farm Bill concerning FCA's appointment of the Farm Credit System Insurance Corporation (FCSIC) as the conservator or receiver of a distressed System bank, association, service corporation, or the Funding Corporation.

The proposed rule restructures, reorganizes, and revises FCA's conservatorship and receivership regulations so they are easier for System institutions, FCA examiners, and other

interested parties to understand and use. It also makes conforming amendments to exclude bridge System banks from other regulations that apply to System banks and institutions.

Notational votes

Since the Jan. 13 FCA board meeting, two notational votes have occurred. Notational votes are actions the FCA board takes between board meetings.

On Jan. 31, the FCA board voted to approve the appointment of Michael Duffy as chief examiner and director of the Office of Examination. On that same date, the board also voted to approve the temporary appointment of Sandra Walters as acting chief financial officer and director of the Office of the Chief Financial Officer.

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The Farm Credit Administration is the safety and soundness regulator of the Farm Credit System. The System consists of two government-sponsored enterprises — a nationwide network of cooperative banks and associations established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac), which was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. FCA news releases are available on the web at www.fca.gov.